



***United States Attorney
Southern District of New York***

**FOR IMMEDIATE RELEASE
MAY 11, 2011**

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**HEDGE FUND BILLIONAIRE RAJ RAJARATNAM FOUND GUILTY
IN MANHATTAN FEDERAL COURT OF INSIDER TRADING CHARGES**

*Rajaratnam Convicted On 14 Counts For Illegal Stock Trades
In Companies Including Goldman Sachs, Clearwire, Akamai, AMD,
Intel, Polycom, and PeopleSupport*

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that RAJ RAJARATNAM was found guilty today by a jury in Manhattan federal court of
stemming from his involvement in the largest hedge fund insider trading scheme in history. RAJARATNAM was the Managing Member of Galleon Management, LLC ("Galleon"), the General Partner of Galleon Management, L.P., and a portfolio manager for Galleon Technology Offshore, Ltd., and certain accounts of Galleon Diversified Fund, Ltd. He was convicted after an eight-week trial before U.S. District Judge RICHARD J. HOLWELL.

Manhattan U.S. Attorney PREET BHARARA stated: "Raj Rajaratnam, once a high-flying billionaire and hedge fund manager, is now a convicted felon, 14 times over. Rajaratnam was among the best and the brightest - one of the most educated, successful and privileged professionals in the country. Yet, like so many others recently, he let greed and corruption cause his undoing. The message today is clear -- there are rules and there are laws, and they apply to everyone, no matter who you are or how much money you have. Unlawful insider trading should be offensive to everyone who believes in, and relies on, the market. It cheats the ordinary investor, victimizes the companies whose information is stolen, and is an affront not only to the fairness of the market, but the rule of law. In just over 18 months, this office has charged 47 individuals with insider trading crimes; Rajaratnam is the 35th person to be convicted. We will continue to pursue and prosecute those who believe they are both above the law and too smart to get caught."

According to the Superseding Indictment filed in Manhattan federal court, other court documents, and statements made during related court proceedings:

From 2003 to March 2009, RAJARATNAM repeatedly traded on material, nonpublic information pertaining to upcoming earnings forecasts, mergers, acquisitions, and other business combinations ("Inside Information"). The Inside Information was given as tips by insiders and others at hedge funds, public companies, and investor relations firms -- including Goldman Sachs, Intel, International Business Machines Corporation ("IBM"), McKinsey & Company ("McKinsey"), Moody's Investor Services, Inc., Market Street Partners, Akamai Technologies, Inc. ("Akamai"), and Polycom, Inc. ("Polycom"). Based on the Inside Information, RAJARATNAM executed trades in the stock of public companies, including Goldman Sachs, Clearwire, Akamai, AMD, Intel, Polycom, and PeopleSupport, earning tens of millions of dollars.

The evidence at trial included, among other things, recordings of wiretapped phone calls between RAJARATNAM and his various co-conspirators, including: ANIL KUMAR, a senior partner and director at McKinsey; RAJIV GOEL, an employee of Intel; ADAM SMITH, a portfolio manager and analyst at Galleon; and DANIELLE CHIESI, an employee of the hedge fund New Castle Partners. RAJARATNAM engaged in overlapping conspiracies to commit securities fraud with these individuals, as well as with ROOMY KHAN, who traded securities on her own behalf.

KUMAR, GOEL, SMITH, CHIESI, MARK KURLAND, an employee at New Castle Partners, and ROBERT MOFFAT, a Senior Vice President at IBM, were charged with RAJARATNAM and have all previously pled guilty to insider trading charges. ROOMY KHAN was arrested on October 19, 2009 and has also pled guilty.

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RAJARATNAM was found guilty of five counts of conspiracy to commit securities fraud and nine counts of securities fraud. Each of the conspiracy counts carries a maximum sentence of five years in prison and a maximum fine of the greater of \$250,000 or twice the gross gain or loss from the offense. Each of the securities fraud counts carries a maximum sentence of 20 years in prison and a fine of \$5 million. RAJARATNAM faces a maximum prison term of 205 years in total. RAJARATNAM is scheduled to be sentenced on July 29, 2011, at 12:00 p.m.

RAJARATNAM, 53, resides in New York, New York.

Mr. BHARARA praised the investigative work of the Federal Bureau of Investigation and thanked the U.S. Securities and Exchange Commission for its extraordinary assistance.

Assistant U.S. Attorneys JONATHAN STREETER and REED BRODSKY, and Special Assistant U.S. Attorney ANDREW MICHAELSON are in charge of the prosecution.

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